

**Business Gateway Initiative**  
**Single Source Coal Reporting (SSCR)**  
**“Coal Vertical” Return on Investment**

**Cost / Benefit Analysis of the Single Source Coal Reporting System**

The Single Source Coal Reporting system (SSCR) will benefit the coal mining industry, the SSCR partner agencies (which regulate the coal mining industry), and any individual or organization interested in the production and safety/health data collected about the coal mining industry. Specifically, SSCR will:

- 1) Reduce the reporting burden on industry.
- 2) Reduce agencies’ forms processing, systems development & maintenance costs.
- 3) Increase the consistency of data collected across agencies.
- 4) Comply with The President’s Management Agenda.

**1) Reduce the reporting burden on industry**

SSCR will reduce the reporting burden on industry by:

- Eliminating the time required to complete and file duplicate forms to multiple agencies.
- Reducing the time to gather information by requesting less information.
- Reducing the time to complete forms by providing user-friendly online forms and the ability to upload multiple forms in batch.
- Eliminating postage by allowing electronic filing.

Electronic filers will realize all of these benefits. Paper filers will realize the first two benefits. The total estimated annual savings to industry is approximately \$465,000. The following table provides the basis for this estimated savings:

<b>Cost to Industry</b>	<b>Status Quo</b>		<b>SSCR</b>	
	<b>Paper</b>	<b>Online</b>	<b>Paper</b>	<b>Online</b>
Average Minutes to complete / form / permit	23	10	57.5	25
Postage to return / form / permit	0.37	0	0.37	0
Hourly rate for industry	\$35.00	\$35.00	\$35.00	\$35.00
Total cost / form / quarter / permit	\$13.79	\$5.83	\$33.91	\$14.58
Average number of forms filed / quarter / permit	5	5	1	1
Total cost / quarter / permit	\$68.93	\$29.17	\$33.91	\$14.58
Total cost / year / permit	\$275.73	\$116.67	\$135.65	\$58.33
Assumed filing rate	80%	20%	40%	60%
Number of permits reported	2,400	600	1,200	1,800
Total Industry Cost / year	\$661,760	\$70,000	\$162,776	\$105,000
<b>Total Industry Savings / year - Scenario 1</b>			<b>\$463,984</b>	

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The most significant factors driving the savings to industry are:

- Reporting Entities file only one form, rather than an average of six.
- Filing electronically takes ½ as much time as filing on paper.
- SSCR will increase the online filing rate because consolidated online filing is more convenient.

The estimated burden to industry is the average of the burden estimates from each partner agency. The average estimates are based on Information Collection Requests submitted by various partner agencies and an informal survey of Reporting Entities participating in the SSCR pilot test in the first quarter of 2003.

The average number of agencies with which each permit is filed assumes 4 federal agencies and 2 state agencies in the state in which the permit is mined.

**2) Reduce agencies' forms processing, systems development & maintenance costs.**

SSCR will reduce cost to agencies, including:

- Reducing form processing costs by eliminating data entry for forms filed electronically, reducing the number of forms that must be printed and mailed, and eliminating redundant forms processing efforts across agencies
- Eliminating redundant development and maintenance of online forms across agencies

The total estimated annual savings in forms processing costs across all government agencies is approximately \$170,000. The following table provides the basis for this estimated savings:

<b>Cost to Agency</b>	<b>Status Quo</b>		<b>SSCR - Scenario 3</b>	
	<b>Paper</b>	<b>Online</b>	<b>Paper</b>	<b>Online</b>
Total materials and postage	\$0.50	\$0.00	\$0.50	\$0.00
Total minutes for processing	12.18	8.25	36.18	24.75
Hourly rate for agency	\$28.00	\$28.00	\$28.00	\$28.00
Cost / form / agency	\$6.18	\$3.85	\$17.38	\$11.55
Filing rate	80%	20%	50%	50%
Number of permits reported	2,400	600	1,500	1,500
Total Cost / agency / quarter	\$14,830	\$2,310	\$26,069	\$17,325
Total Cost / agency / year	\$59,318	\$9,240	\$104,274	\$69,300
Average agencies collecting / permit	5	5	1	1
Total Gov't Processing Cost / quarter	\$74,148	\$11,550	\$26,069	\$17,325
Total Gov't Processing Cost / year	\$296,592	\$46,200	\$104,274	\$69,300
<b>Total Gov't processing Savings / year:</b>			<b>\$169,218</b>	

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The most significant factors driving the savings to government are:

- The cost to process forms and maintain online forms is incurred only once, rather than by multiple agencies.
- The percent of reports filed electronically will increase because more agencies will allow electronic filing and because a consolidated electronic filing process will make electronic filing more attractive to Reporting Entities.

SSCR will also reduce the cost to develop and maintain online forms, including approximately \$780,000 in development costs and approximately \$19,000 annually in maintenance costs.

The following tables summarize the development and maintenance savings.

<b>System Development Costs</b>	<b>Status Quo</b>
Development of Online Forms / agency	\$130,000
Agencies developing new online forms	6
<b>Total Development Cost Avoidance to Agencies</b>	<b>\$780,000</b>

<b>System Maintenance Costs</b>	<b>Status Quo</b>	<b>SSCR</b>
Annual maintenance cost / agency	\$13,000	\$98,000
Agencies maintaining online forms	9	1
Total Gov't Annual maintenance cost	\$117,000	\$98,000
<b>Total Gov't Annual Maintenance Savings</b>	<b>\$19,000</b>	

The estimated cost to government is the average of the cost estimate from each partner agency. The average estimates are based on interviews with representatives from each agency.

### **3) Increase the consistency of data collected across agencies**

SSCR will eliminate or reduce inconsistent data being collected by each agency. Currently, inconsistencies exist because agencies define certain data terms differently and because Reporting Entities may inadvertently report different data to different agencies. As a result, individuals and organizations interested in the data collected by the various agencies may get different results when they query different agencies for information. SSCR addresses this problem by collecting data once with consistent terms and distributing the same data to each agency.

The primary beneficiaries of this improvement are the individuals and organizations interested in the data. The agencies may also benefit because they will spend less time reconciling data. This benefit is not quantifiable.

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**4) Comply with The President’s Management Agenda**

The President’s Management Agenda (PMA) calls for increasing the use of E-Government to better serve citizens and businesses. SSCR is an excellent example of the type of E-Government initiative envisioned by the PMA because it combines disparate agency processes into a single, citizen-centric process and because it provides a more convenient, electronic interface through which the coal mining industry can conduct business with the government. Although complying with the PMA is not a quantifiable benefit, it is a direct benefit to the SSCR partner agencies.